

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7238

BILL NUMBER: SB 505

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Applicability of Federal Law in Indiana.

FIRST AUTHOR: Sen. Tomes

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: The bill provides that any federal act, order, law, rule, regulation, or statute found by the General Assembly to be inconsistent with the power granted to the federal government in the Constitution of the United States is void in Indiana.

It provides that a resident of Indiana has a cause of action to enjoin the enforcement or implementation or the attempted enforcement or implementation of a federal act, order, law, rule, regulation, or statute declared void by the General Assembly. It also provides that a plaintiff who prevails in such an action is entitled to reasonable attorney fees and costs.

The bill finds that the federal Patient Protection and Affordable Care Act and the federal Health Care and Education Reconciliation Act of 2010 are inconsistent with the power granted to the federal government in the Constitution of the United States.

Effective Date: Upon passage.

Explanation of State Expenditures: *Attorney General:* If a party has a cause of action as a result of the findings of the General Assembly, cost for the Attorney General and any involved state agency to defend the state may increase.

Explanation of State Revenues: *Federal Program Revenue:* The federal Patient Protection and Affordable Care Act and the federal Health Care and Education Reconciliation Act of 2010 amend several federal programs. Among these programs are the Medicaid, Disproportionate Hospital Share, and the Community Mental Health Center programs and other programs that provide funding to the state budget to pay for health

care services. In the past, if a state did not comply with federal program requirements by amending the State Plan for Medicaid or by improperly administering the program, penalties have ensued, including repayment or loss of federal funds or suspension from the program.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: General Assembly, Attorney General.

Local Agencies Affected:

Information Sources:

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